

## Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 EB-08 /019 W

-----047742 251344Z /44

P 251228Z JUL 78

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC PRIORITY 9673

USDOC WASHDC PRIORITY

LIMITED OFFICIAL USE LAGOS 9159

E.O. 11652: N/A

TAGS: BENC, ENRG, NI

SUBJECT: MAJOR PROJECT: NIGERIAN PETROCHEMICAL COMPLEX

REF: A) STATE 173955; B) LAGOS 5800

1. S.A. ADEYEYE, PRINCIPAL ASSISTANT, (PETROCHEMICALS) MIN. INDUSTRIES (MOE) TOLD EMBOFF IN MEETING OF JULY 24 THAT PETROCHEMICAL PROJECT WILL GO TO FEDERAL EXECUTIVE COUNCIL (FEC) THIS WEEK. HE SAID THAT THEY WILL CHOOSE MANAGING CONTRACTOR AND WILL MAKE SOME BASIC DECISIONS ABOUT THIS PROJECT WHICH HAS BEEN UNDER ACTIVE CONSIDERATION SINCE 1975. (IN REFTEL B, WE REPORTED THAT FOSTER-WHEELER IS MOI FRONT-RUNNER). HE AFFIRMED THAT ECONOMIC AND FINANCE COMMITTEE HAS ALREADY GIVEN ITS APPROVAL.

2. IN HOUR LONG CONVERSATION, ADEYEYE BRIEFED NEW PTROL-OFF IN PROJECT BACKGROUND. MUCH OF THIS INFORMATION HAD BEEN REPORTED PREVIOUSLY, BUT SOME THAT MAY BE NEW IS REPORTED BELOW.

3. IN 1982, PLANT IS EXPECTED TO COST OVER \$1 BILLION AND HAVE AN OUTPUT OF OVER 250,000 METRIC TONS OF ETHELYNE. BY 1987 OUTPUT SHOULD BE 310,000 METRIC TONS. IF THE LNG PLANT IS NOT READY IN TIME TO PROVIDE

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FEEDSTOCK, PETROCHEMICALS WILL BE BASED ON IMPORTED NAPTHA. MOI FELT THAT 70 PERCENT OF DEMAND WILL COME FROM NIGERIAN INTERNAL MARKET WHILE 30 PERCENT WILL BE TAKEN OFF BY TECHNICAL PARTNERS IN THREE DOWNSTREAM PLANTS. MOI FELT THAT ESTIMATE WAS REASONABLE SINCE 1975 DOMESTIC DEMAND FOR PRODUCTS OF 3 DOWNSTREAM PLANTS (LOW DENSITY POLYETHYLENE, HIGH DENSITY POLYETHYLENE AND VCM/PVC

AMOUNTED TO 100,000 METRIC TONS.

4. TO MEET DEMAND TARGETS, MOI IS PROMOTING ESTABLISHMENT OF INDUSTRIES WHICH USE TLASTIC AS AN INPUT.  
INCENTIVES ARE AN APPROVED USER LICENSE WHICH ALLOWS IMPORT OF RAW MATERIALS AT STEEPLY REDUCED RATE OF DUTY AND PIONEER INDUSTRY STATUS WHICH ALLOWS NO TAXATION FOR FIRST THREE YEARS WITH POSSIBILITY FOR AN EXTENSIN.  
WYMAN

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, CHEMICALS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 jul 1978  
**Decapton Date:** 01 jan 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978LAGOS09159  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Reference:** 78 STATE 173955, 78 LAGOS 5800  
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**Subject:** MAJOR PROJECT: NIGERIAN PETROCHEMICAL COMPLEX  
**TAGS:** BENC, ENRG, NI  
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**Review Markings:**  
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